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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE  
1500 Hr., 26 March 1953

NEW PHASE IN US-BURMESE RELATIONS MAY BE DEVELOPING

Burma's [redacted] complaint 25X1  
to the UN of Chinese Nationalist aggression may have ended the possibility of securing the evacuation of these forces by diplomatic means. Taipei has already reacted by stating that it does not exercise control over the Chinese troops in Burma and this would seem to preclude any serious effort on its part to aid in removing Li Mi's forces. In any case, now that the Burmese have openly placed charges in the UN, it is unlikely they could be persuaded to withdraw them.

Although Burmese leaders have reiterated that they will "make every effort to prevent discussion of US involvement" during UN debate and have constantly made assurances of continued friendship for the US, the early prospect of a new and deteriorating phase in US-Burmese relations is indicated. Their failure to warn our Embassy of the intention to announce the UN appeal shows a certain lack of cooperativeness not hitherto characteristic.

Additional evidence of a changing attitude is the Burma Cabinet's decision last week to cancel American aid and its subsequent refusal, despite strong pressure from Ambassador Sebald, to abandon or to postpone this intention. Finally, it is established that the top Burmese leaders are under considerable criticism from a large section of their political supporters for being too friendly to the US.

Announcement of cancellation of American aid, to be effective 30 June 1953, may be expected any day. Coming soon after Burma's appeal to the UN, it would inevitably be linked with the Nationalist issue and might result in international embarrassment for the US. It has been anticipated that such Burmese action would probably be misunderstood in the US and provoke adverse criticism in this country which would further antagonize the Burmese.

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State Department review completed

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